

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re:	)	Chapter 11
)	
INDOOR FOOTBALL ESTATE	)	Case No. 09-29024
(f/k/a ARENA FOOTBALL LEAGUE, LLC),)	
	)	Honorable Susan Pierson Sonderby
)	
Debtor.	)	Hearing Date: March 2, 2010
	)	Hearing Time: 10:30 a.m.

**NOTICE OF FIRST AND FINAL FEE APPLICATION OF
FREEBORN & PETERS LLP AS COUNSEL TO THE
OFFICIAL COMMITTEE OF UNSECURED CREDITORS**

To: Service List

PLEASE TAKE NOTICE that on February 8, 2010, Freeborn & Peters LLP (“F&P”) filed the *First and Final Fee Application of Freeborn & Peters LLP as Counsel to Official Committee of Unsecured Creditors* (the “Application”) with the United States Bankruptcy Court for the Northern District of Illinois. Through the Application, F&P seeks (a) allowance and approval of \$66,866.40 in compensation for legal services rendered by F&P to the Official Committee of Unsecured Creditors (the “Committee”) of the Arena Football League, LLC (the “Debtor”) for the period of September 30, 2009 through January 31, 2010, (b) approval of \$1,162.08 as reimbursement for expenses incurred during that same time, and (c) the Court’s authorization and direction to the Debtor to pay F&P compensation and reimbursement of expenses in the aggregate amount of \$68,028.48.

PLEASE TAKE FURTHER NOTICE THAT a hearing on the Application will take place before the Honorable Susan Pierson Sonderby of the United States Bankruptcy Court for the Northern District of Illinois, Eastern Division, or whomever may be sitting in her place and stead, at 219 South Dearborn Street, Courtroom 642, Chicago, Illinois on March 2, 2010 at 10:30 a.m.

Objections, if any, to the relief requested in the Application must be filed with the Clerk of the United States Bankruptcy Court for the Northern District of Illinois, Eastern Division, 219 South Dearborn Street, Chicago, Illinois prior to the hearing on the Application.

At the same time, you should also serve a copy of the objection upon the following so as to be received prior to the hearing on the Application: Freeborn & Peters LLP, 311 S. Wacker Dr., Ste. 3000, Chicago, Illinois 60606 (Attn: Richard S. Lauter).

IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED IN THE APPLICATION WITHOUT FURTHER NOTICE OR HEARING.

Dated: February 8, 2010

FREEBORN & PETERS LLP

By: /s/ Richard S. Lauter
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**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re:	)	Chapter 11
)	
Indoor Football Estate LLC (f/k/a Arena	)	Case No. 09-29024
Football League, LLC),)	
	)	Honorable Susan Pierson Sonderby
Debtor.)	
)	

CERTIFICATE OF SERVICE

I, Richard S. Lauter, an attorney, do hereby certify that on February 8, 2010, I caused the attached *Notice of Application and First and Final Fee Application of Freeborn & Peters LLP as Counsel to the Official Committee of Unsecured Creditors* to be served on parties electronically via the CM/ECF system and via U.S. Mail postage prepaid as noted below.

/s/ Richard S. Lauter

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Des Plaines, IL 60018-5805

Cleveland Gladiators
631 Huron Road
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**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re:	)	Chapter 11
)	
Indoor Football Estate LLC (f/k/a Arena	)	Case No. 09-29024
Football League, LLC),)	
	)	Honorable Susan Pierson Sonderby
Debtor.)	
	)	Hearing Date: March 2, 2010
	)	Hearing Time: 10:30 a.m.

**FIRST AND FINAL FEE APPLICATION OF
FREEBORN & PETERS LLP AS COUNSEL TO THE
OFFICIAL COMMITTEE OF UNSECURED CREDITORS**

Freeborn & Peters LLP (“F&P”), counsel to the Official Committee of Unsecured Creditors (the “Committee”) of Arena Football League, LLC (the “Debtor”), hereby submits the *First and Final Fee Application of Freeborn & Peters LLP as Counsel to Official Committee of Unsecured Creditors* (the “Application”), for services rendered and expenses incurred from September 30, 2009 through January 31, 2010, and in support thereof, states as follows:

JURISDICTION AND VENUE

1. The Court has jurisdiction over this matter pursuant to sections 1334 and 157(a) of title 28 of the United States Code and Internal Operating Procedure 15(a) of the United States District Court for the Northern District of Illinois. This is a core proceeding pursuant to section 157(b)(2) of title 28 of the United States Code. Venue is proper in this district pursuant to sections 1408 and 1409 of title 28 of the United States Code.

2. The statutory predicates for the relief requested herein are sections 330, 331, 503(b), and 507(a)(1) of the title 11 of the United States Code (the “Bankruptcy Code”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Rule 5082-1

of the Local Rules of the United States Bankruptcy Court for the Northern District of Illinois (the “*Local Rules*”).

BACKGROUND

3. On August 7, 2009 (the “*Petition Date*”), several creditors (the “*Petitioning Creditors*”) of the Debtor, commenced this case (the “*Bankruptcy Case*”) by filing an involuntary petition (the “*Petition*”) against the Debtor under chapter 7 of the Bankruptcy Code.

4. On August 24, 2009, the Debtor filed a Motion to convert the case from to chapter 11 (the “*Conversion Motion*”). This Court granted the Conversion Motion on August 26, 2009 (the “*Conversion Date*”).

5. On September 30, 2009, the Office of the United States Trustee (the “*U.S. Trustee*”) appointed the Committee as an official committee to represent the interests of unsecured creditors of the Debtor pursuant to section 1102 of the Bankruptcy Code.

6. On October 6, 2009, the Debtor filed a motion to appoint a chapter 11 trustee (the “*Chapter 11 Trustee Motion*”), and this Court granted such motion on October 13, 2009. Alex D. Moglia (the “*Trustee*”) was subsequently appointed as the chapter 11 trustee.

7. On October 27, 2009 this Court entered an order authorizing the Committee to employ and retain F&P as its bankruptcy counsel, retroactive to September 30, 2009 (the “*Retention Order*”).

RELIEF REQUESTED

8. F&P seeks approval of compensation for the period of September 30, 2009 through January 21, 2010 (the “*Fee Application Period*”) in the amount of \$67,767.40 and reimbursable expenses in the amount of \$1,162.08, for a total of \$68,028.48.

9. A detailed schedule of services rendered and expenses incurred (broken down by project category) by F&P during the Fee Application Period is attached hereto and incorporated herein as *Exhibit A*.

10. As of the date of this First and Final Fee Application, F&P has received no compensation on account of services rendered and expenses incurred with respect to the representation of the Committee during the Fee Application Period.

11. By this First and Final Fee Application, F&P seeks an order: (1) allowing F&P \$66,866.40 in compensation and \$1,162.08 in reimbursable expenses for the Fee Application Period as a chapter 11 administrative expense of the Debtor's estate pursuant to sections 503(b) and 507(a)(1) of the Bankruptcy Code; and (2) authorizing and directing the Debtor to pay \$68,028.48 to F&P, representing amounts owing to F&P on account of the First and Final Fee Application in rendering such professional services during the Application Period.

DISCUSSION

12. Section 330(a) of the Bankruptcy Code provides, in pertinent part, that:

[T]he court may award . . . reasonable compensation for actual, necessary services rendered by the . . . attorney and by any paraprofessional person . . . and . . . reimbursement for actual, necessary expenses. . . . In determining the amount of reasonable compensation to be awarded, the court shall consider the nature, the extent, and the value of such services, taking into account all relevant factors, including – (A) the time spent on such services; (B) the rates charged for such services; (C) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under [the Bankruptcy Code]; (D) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed; and (E) whether the compensation is reasonable, based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

13. The Seventh Circuit Court of Appeals has stated that:

The computation of hourly fees depends on the number of hours “reasonably” expended, the hourly rate of each [professional], the calculation of the time value of money (to account for delay in payment), potential increases and decreases to

account for risk and the results obtained, and a complex of other considerations under the heading of “billing judgment.”

Kirchoff v. Flynn, 786 F.2d 320, 325 (7th Cir. 1986). Additionally, other courts of appeal have recognized that:

[I]t is important for the court to maintain a sense of overall proportion and not become enmeshed in meticulous analysis of every detailed facet of the professional representation. It is easy to speculate in retrospect that the work could have been done in less time or with fewer attorneys or with an associate rather than a partner. On the other hand, it is also possible that [the client] would not have enjoyed the success it did had its counsel managed matters differently.

Boston and Main Corp. v. Moore, 776 F.2d 2, 10 (1st Cir. 1985) (citations omitted).

14. In reviewing the First and Final Fee Application, the Court should be guided by the Seventh Circuit’s instruction to ascertain whether such services were rendered and billed in accordance with the established market for legal services in similar matters:

[I]t is not the function of judges in fee litigation to determine the equivalent of the medieval just price. It is to determine what the lawyer would receive if he was selling his services in the market rather than being paid by court order.

In re Continental Illinois Securities Litigation, 962 F.2d 566, 568 (7th Cir. 1992); *see Mann v. McCombs (In re McCombs)*, 751 F.2d 286, 288 (8th Cir. 1984) (section 330 “is meant to encourage high standards of professional legal practice in the bankruptcy courts. . . . Bankruptcy courts must consider whether the fee awards are commensurate with fees for professional services in non-bankruptcy cases, thus providing sufficient economic incentive to practice in bankruptcy courts.”).

15. In *Continental Securities*, the Seventh Circuit found error in the lower court’s practice of: (a) placing ceilings on the hourly rates of all lawyers; (b) refusing to allow paralegal services to be compensated at market rate; (c) refusing to award a risk multiplier; (d) making large across-the-board cuts in research time; (e) making large across-the-board cuts in conference

time; and (f) refusing to allow attorneys to bill computerized legal research services (*e.g.*, LEXIS). *Continental Illinois Securities Litigation*, 962 F.2d at 568-70.

16. The Court should also consider the novelty and difficulty of the issues presented, the skill required to perform the legal services properly, the preclusion of other employment caused by F&P's retention in this case, the customary fees charged in similar cases, the existence of time limits under which the services were rendered, the results obtained, the experience and ability of the attorneys involved, and the amount of awards of compensation in similar cases. *See In re Alberto*, 121 B.R. 531, 534 (Bankr. N.D. Ill. 1990).

17. F&P's hourly rates of compensation for those attorneys and para-professionals during the Fee Application Period range from \$40.00 to \$620.00 (however, no professional with an hourly rate in excess of \$531.00 has performed services herein). Those rates are comparable to rates charged by other practitioners having the same amount of experience, expertise, and standing for similar services in this jurisdiction. F&P consistently and consciously made every reasonable effort to represent the Committee in the most economical, efficient, and practical manner possible.

18. A summary of the compensation requested herein regarding each of F&P's professionals and para-professionals is set forth below:

<u>Timekeeper</u>	<u>Title</u>	<u>Illinois Bar Admission</u>	<u>Hourly Rate</u>	<u>Total Hours</u>	<u>Compensation Requested</u>
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<u>Timekeeper</u>	<u>Title</u>	<u>Illinois Bar Admission</u>	<u>Hourly Rate</u>	<u>Total Hours</u>	<u>Compensation Requested</u>
Eggert, Devon J.	Associate	2006	\$265.50	17.6	\$4,672.80
Hammer, Aaron L.	Partner	1997	\$531.00	3.5	\$1,858.50
Jackiw, Brian J.	Associate	2008	\$247.50	0.6	\$148.50
Lauter, Richard S.	Partner	1982	\$495.00	104.9	\$51,925.50
Morris Wendy	Associate	2003	\$283.50	14.1	\$3,997.35
Pieper, Laura C.	Associate	2001	\$283.50	3.7	\$1,048.95
Sheldon, Kathryn C.	Paralegal	N/A	\$189.00	16.6	\$3,137.40
Weichman, Marie E.	Paralegal	N/A	\$193.50	0.4	\$77.40
TOTAL:				161.4	\$66,866.40
BLENDED RATE:					\$414.29

19. No agreement or understanding exists between F&P and any other person for the sharing of compensation received or to be received in connection with this chapter 11 case, other than as disclosed or authorized pursuant to the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules.

20. F&P reserves the right to correct, amend, or supplement this First and Final Fee Application, including, without limitation, to seek payment in the event this First and Final Fee Application is not approved in full.

SERVICES PERFORMED

21. This First and Final Fee Application sets forth in detail the work performed by F&P and the time spent during the Fee Application Period.

A. General \$17,119.35

22. F&P spent 40.2 hours at a cost of \$17,119.35 on general matters. This encompasses the majority of F&P's time and primarily includes time spent reviewing incoming pleadings, preparing for and attending Court hearings on general case matters, corresponding with parties-in-interest concerning general case matters, drafting motions and objections when authorized by the Committee, and performing necessary administrative tasks typically associated

with a committee representation. This category also includes matters which encompass more than one discrete category.

B. F&P Retention and Fee Applications \$4,059.00

23. F&P spent 16.5 hours at a cost of \$4,059.00 relating to F&P retention and fee application matters. This time was spent preparing and filing the application to retain F&P as counsel to the Committee, and corresponding with parties-in-interest regarding the same.

C. Asset Sales \$21,961.80

24. F&P spent 44.5 hours at a cost of \$21,961.80 on asset sale issues. This category includes time spent reviewing documents and other actions pertaining to the sale of substantially all of the Debtor's assets, including all intellectual property, membership interests, books and records, accounts receivable and equipment and furniture (collectively, the "*Assets*"); reviewing offers of potential bidders; approving the selection of the stalking horse bidder; attending the auction with respect to the sale of the Assets; and participating in the hearing approving the sale of the Assets.

D. Litigation \$5,078.70

25. F&P spent 13.1 hours at a cost of \$5,078.70 on litigation issues. This category primarily includes time spent addressing and analyzing the Debtor's director and officer insurance policies, potential litigation based upon such policies, and the Committee's rights under such insurance policies.

E. Secured Creditors \$9,336.15

26. F&P spent 27.6 hours at a cost of \$9,336.15 on secured creditor issues. This category primarily consists of time reviewing and commenting on the financing agreement between the Trustee and the Debtor's senior pre-petition secured lender, Fifth Third Bank ("*Fifth*

Third'), and analyzing the validity of Fifth Third's pre-petition secured claim on the Debtor's assets.

F. Committee Meetings and Governance \$9,311.40

27. F&P spent 19.5 hours at a cost of \$9,311.40 on issues relating Committee meetings and governance. This category primarily consists of time spent preparing for and conducting meetings of the Committee, drafting minutes of Committee meetings and Committee governing documents, and addressing inquiries of Committee members with respect thereto.

REASONABLE EXPENSES INCURRED

28. Detailed itemizations of all expenses incurred are incorporated in the detailed itemization of expenses attached hereto. Expenses during the Fee Application Period were incurred in the following general categories:

(a) Legal Research: F&P incurred expenses in the amount of \$1,021.58 in connection with legal research fees. F&P submits that such expenses were necessary in order to fully and properly analyze legal issues that arose during the Bankruptcy Case.

(b) Other Fees, Other Outside Services, Miscellaneous Expenses, and Meal and Travel Expenses: F&P incurred additional expenses in the amount of \$140.50. This category includes costs for obtaining a UCC and Tax Lien searches to evaluate the validity of Fifth Third's secured claim.

29. All expenses incurred by F&P in connection with its representation of the Committee were ordinary and necessary expenses. All expenses billed to the Committee were billed in the same manner as F&P bills non-bankruptcy clients.

30. F&P does not bill its clients or seek compensation in this First and Final Fee Application for certain overhead expenses, such as local and long-distance telephone calls, secretarial services, and facsimile transmissions. Such expenses are factored into F&P's hourly

rates. F&P has not included certain other charges described herein in its overhead because it has determined that it is fairer to its smaller clients who use proportionately less of these services to have these expenses billed separately.

BENEFIT TO THE ESTATE

31. F & P was integrally involved in all areas of the case from its inception and provided substantial benefits to all creditors of the estate through its efforts. F&P actively participated in all aspects of the sale process, including: (i) contributing to the marketing of the assets by directing several potential purchasers to the Trustee and disseminating marketing materials to prospective purchasers; (ii) actively participating in the auction sale, which ultimately resulted in a purchase price of more than 100% above the original stalking horse bid; and (iii) participating in the consummation of the sale with the ultimate purchaser in order to prevent any negative impact on such sale as a result of the release of allegedly inaccurate press releases.

32. F&P took further efforts to protect the interests of all unsecured creditors by investigating and pursuing potential areas for recovery, including the Debtor's director and officer insurance policies, and actively participating in the negotiating and drafting of all documents relating to the Trustee's post-petition financing to ensure that any and all chapter 5 causes of action were "carved-out" in order to preserve such actions for the benefit of the general unsecured creditors.

33. F&P held weekly meetings to keep the Committee apprised of all of the aforementioned occurrences, and to allow the Committee to have an active role and substantial impact throughout this chapter 11 case.

COMMITTEE REVIEW

34. The amounts sought in this Application are subject to the final approval of the members of the Committee.

NOTICE

35. Pursuant to Bankruptcy Rule 2002(a)(6), twenty-one days' notice of this First and Final Fee Application has been provided to: (a) the Debtor's counsel; (b) the Office of the United States Trustee; (c) counsel for the Trustee; (d) counsel for Fifth Third; (e) all parties who have filed a request to receive notice pursuant to Bankruptcy Rule 2002; and (f) all creditors and parties-in-interest listed on the Debtor's creditor matrix.

WHEREFORE, F&P respectfully requests that the Court enter an order:

(a) Allowing F&P \$66,866.40 in compensation for the Fee Application Period as chapter 11 administrative expenses of the Debtor's estate pursuant to sections 503(b) and 507(a)(1) of the Bankruptcy Code;

(b) Allowing F&P \$1,162.08 in reimbursable expenses for the Fee Application Period as chapter 11 administrative expenses of the Debtor's estate pursuant to sections 503(b) and 507(a)(1) of the Bankruptcy Code;

(c) Authorizing and directing the Debtor to submit payment to F&P of \$68,028.48 representing amounts owing to F&P on account of the First and Final Fee Application; and

(d) Granting such other and further relief as the Court deems just and proper.

Dated: February 8, 2010

FREEBORN & PETERS LLP

By: /s/ Richard S. Lauter
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